

FY 01 DCMA BUSINESS PLAN

PART D – FY 01 BUDGET FORMULATION GUIDANCE

The purpose of this section is to provide you with the status of funding for FY 01 and to provide you with instructions for the completion of the budget documents. As our funds continue to decline, it is imperative that we increase our planning effort. Each of the documents listed in this section requires that you submit plans for either dollars, FTEs, or performance. These plans are critical if we are to achieve our financial and performance goals.

FY 01 Target Funding Authorization Document (FAD) Methodology: The allocation of Full-Time Equivalents (FTEs) is a zero sum game. For planning purposes you should assume that the majority of performance goals contained in the Performance Plan are covered within your initial target funding level. Due to funding constraints, the reserve retained for unfunded requirements is minimal. However, we recognize that some unplanned workload changes may require adjustments to either your FTE or target annual operating budget authority. Where this is necessary, the Business Case process and format shall be followed. The data requested by the format is necessary to evaluate resources prior to reprogramming from one District to another and/or from one Contract Administration Office (CAO) to another. After completing a review of internal tradeoffs, Districts should forward proposed FTE realignments that cannot be accommodated within the RUC Ground Rules to DCMA-FB. Other requests for increases that cannot be funded within the interim authority contained in the Business Plan, should be submitted in Business Case format by object class. FTE and non-labor totals identified as funded must match bottom line targets provided. Funding requirements should be prioritized so that higher level priorities and fixed requirements should be included as funded dollars.

Interim labor and non-labor allocations have been prepared to assist you in planning, evaluating, and implementing the Business Plan. They will be distributed during the FY 01 DCMA Business Plan Workshop.

The following methodology was employed to arrive at your proposed interim allocations:

- **District/CAO FTE Targets:** Targets were determined based upon planned mission requirements, workload, and the availability of funding. The targets will be distributed during the FY 01 DCMA Business Plan Workshop. Formal notification of proposed realignments developed subsequent to the allocations identified in this Business Plan should be made to DCMA-FB, ATTN: RUC.
- **Labor:**
 - The FY 01 AAR is calculated using the FY 00 funded AAR, inflated by the annualized pay raise factor (4%), plus \$452 per FTE for step increases. The AAR is then multiplied by the FTEs to determine basic labor.
 - Awards are funded at 1% of basic labor.
 - Overtime is funded at 0.5% of basic labor.
 - Terminal leave is funded at the FY 00 allocation.
 - PCS is funded at the FY 00 allocation plus 1.5% inflation.

- Non-labor is funded at the FY 00 allocation plus 1.5% inflation with the following exceptions:
 - Mission travel was calculated at the FY 00 allocation per FTE plus 1.5% inflation. This puts the travel funding on the same glideslope as the FTEs.
 - Training is funded at a decrease of 5% and an increase of 1.5% for inflation. Funding for conferences, AIS, flight operations, and SPDP have been centralized. Funding for mission essential, employee development, tuition assistance, and CAO discretionary have been distributed on a per capita basis.
- The FY 01 reimbursable allocations are attached (attachment 1).
 - Reimbursable dollars make up 14% of the DCMA budget and finance around 1,679 FTEs in FY 00. For the most part, if DCMA CONUS CAOs earn less reimbursable dollars than budgeted, we must reduce our costs. When reimbursable earnings go down, the overall DCMA gross budget decreases as well. Therefore, it is important to analyze reimbursable data on a regular basis, using judgment, it is generally preferable to lean slightly toward the conservative side when it comes to projecting reimbursable earnings.
 - The FY 00 budget is based on an Agency annual ratio for CONUS FMS of 10.2%, down from a ratio of 13.23% in FY 99. The FMS CAS ratio is based on FMS disbursements compared to total disbursements. FMS disbursements during the past twelve months are significantly lower than the previous twelve-month period. The FY 01 FMS ratio is projected at 8.5%.
 - Most of the decrease in overall reimbursable earnings in FY 01 is due to FMS.
 - NASA, FEDCAS, and FCAS hours for the past several years have also declined significantly. Actual NASA hours to date this fiscal year are lower overall than budgeted. When Districts actual execution for NASA, FEDCAS, or FCAS is lower than budgeted, the Districts are required to make up the shortfall.

The formats listed below are required with your response to the FY 01 budget data call. A description of the process and the formats are contained in the Business Processes Guidebook, Resourcing and Budgeting Module (Module 3), located on the DCMA home page.

- Performance Contract (attachment 2)
- Full-Time Equivalent (FTE) Plan
- Object Class Plan
- Reimbursable Plan/Summary
 - District/CAO Reimbursable Budget Plan
 - District Reimbursable FTE Plan – Summary by CAO
- Training Plan
- Government-Owned Vehicle (GOV) Plan
- Business Case Instructions and Format (if necessary)